

EXHIBIT 1

INTRODUCTION

Respondent Andres Lujan, Jr. is a retired deputy sheriff of Santa Clara County, and a fifty-percent owner of Support Systems Homes. Support Systems Homes offers a rehabilitation program for persons who are chemically dependent, and has several facilities throughout California.

In this matter, Respondent made four contributions, totaling \$1,666.66, to Ruben Diaz, an unsuccessful candidate for Santa Clara County Sheriff, in the November 3, 1998 county municipal election. Respondent made the four contributions in names other than his own name, in violation of the Political Reform Act (the "Act").¹ The making of a contribution in the name of another person is one of the most serious violations of the Act, as it denies the public of information about the true source of a candidate's financial support.

For the purposes of this stipulation, Respondent's violations are stated as follows:

- COUNT 1: On or about June 28, 1998, Respondent Andres Lujan, Jr. made a \$333.33 contribution to Santa Clara County Sheriff candidate, Ruben Diaz, in the name of his brother, Fernando Lujan, in violation of Section 84301.
- COUNT 2: On or about June 28, 1998, Respondent Andres Lujan, Jr. made a \$333.33 contribution to Santa Clara County Sheriff candidate, Ruben Diaz, in the name of his employee, Debbie Norton, in violation of Section 84301.
- COUNT 3: On or about October 29, 1998, Respondent Andres Lujan, Jr. made a \$500 contribution to Santa Clara County Sheriff candidate, Ruben Diaz, in the name of his daughter, April Lujan, in violation of Section 84301.
- COUNT 4: On or about October 29, 1998, Respondent Andres Lujan, Jr. made a \$500 contribution to Santa Clara County Sheriff candidate, Ruben Diaz, in the name of his daughter, Shanna Villasenor, in violation of Section 84301.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. In order to obtain disclosure of the true source of a contribution, Section 84301 provides that no contribution shall be made, directly or indirectly, by any person in a name other than the name by which that

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, title 2, section 18109 through 18996. All regulatory references are to Title 2 of the California Code of Regulations.

person is identified for legal purposes. The act of making contributions in the name of another person is commonly known as “campaign money laundering.”

SUMMARY OF THE FACTS

Respondent Andres Lujan, Jr. is a retired deputy sheriff of Santa Clara County, and a fifty-percent owner of a drug treatment program. For many years, Respondent has actively participated in Santa Clara County elections, by attending numerous fundraisers, and making political contributions to local candidates. As a contributor, Respondent has a duty to accurately disclose the true source of the contributions that he makes.

During the November 3, 1998 Santa Clara County election contest, Respondent made four contributions to Ruben Diaz, an unsuccessful candidate for Santa Clara County Sheriff, but did not reveal to Mr. Diaz that he was the true source of those contributions. The contributions were as follows:

Count	Date of Contribution	Person Reported as the Contributor	Amount
1	06/28/1998	Debbie Norton	\$333.33
2	06/28/1998	Fernando Lujan	\$333.33
3	10/29/1998	Shanna Villasenor	\$500.00
4	10/29/1998	April Lujan	\$500.00
Total			\$1,666.66

On or about June 28, 1998, Respondent made two contributions of \$333.33 to Mr. Diaz in the form of two Bank of America cashier's checks. The funding for the first cashier's check, in the amount of \$333.33, was drawn Respondent's Bank of America account, but listed Fernando Lujan, Respondent's brother, as the contributor. The funding for the second cashier's check, in the amount of \$333.33, was also drawn from Respondent's Bank of America account, but listed Debbie Norton, Respondent's employee, as the contributor. Respondent made both contributions in the names of other persons, in violation of Section 84301.

On or about October 29, 1998, Respondent made two contributions of \$500 to Mr. Diaz in the form of two cashier's checks from Santa Clara County Federal Credit Union. The funding for the first cashier's check, in the amount of \$500, was drawn from Respondent's bank account at the Santa Clara County Federal Credit Union, but listed April Lujan, Respondent's daughter, as the contributor. The funding for the second cashier's check, in the amount of \$500, was also drawn from Respondent's bank account at the Santa Clara County Federal Credit Union, but listed Shanna Villasenor, Respondent's other daughter, as the contributor. Respondent made both contributions in the names of other persons, in violation of Section 84301.

By making four contributions in the names of other persons, Respondent committed four violations of Section 84301.

CONCLUSION

This matter consists of four violations of Section 84301, with a maximum administrative penalty of \$2,000 per violation, for a total of \$8,000.

Campaign money laundering is one of the most serious violations of the Act, as it denies the public of information about the true source of a candidate's financial support. Therefore, the typical administrative penalty in a laundering case has historically been at or near the maximum penalty of \$2,000 per violation, depending on the circumstances of the violation. In aggravation, two of the four contributions made by Respondent circumvented the Five Hundred Dollar (\$500) local contribution limit applicable to Santa Clara County elections.

Accordingly, the facts of this case justify a penalty in the amount of \$7,200.